

REMARKS

Reconsideration of the application in light of the amendments and the following remarks is respectfully requested.

Applicants acknowledge the courtesy and effort extended by the Examiner to their attorney, Richard J. Katz, during a telephone interview. The substance of the interview addressed claims 1-4 and proposed amendments to overcome their rejection under 35 U.S.C. § 112.

Status of the Claims

Claims 1-16 are pending. Claims 1-8, 13, 15, 17 and 18 have been amended. No new matter has been added.

Applicants appreciatively acknowledge the Examiner's indication of allowable subject matter in claims 1-4. Claims 1-4 have been amended, and Applicants submit that for the reasons discussed below claims 1-4 are now in condition for allowance.

Rejection Under 35 U.S.C. § 112

Claims 1-18 stand rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter of the invention. Claims 1-8, 13, 15, 17 and 18 have been amended, and Applicants submit that amended claims 1-18 are in conformance with the requirements of 35 U.S.C. § 112. Therefore, Applicants request withdrawal and reconsideration of the rejection.

Examiner contends that the combination of Kawamae and Hosaka discloses or suggests most of the features of claims 6, 9 and 14. However, the Examiner acknowledges that Kawamae and Hosaka does not disclose or suggest encrypting the embedding data. The Examiner cites Lewis as disclosing that watermark bits can be encrypted. The Examiner states that it would have been obvious for a person of ordinary skill in the art at the time of the invention to combine Kawamae, Hosaka and Lewis to achieve the invention of claims 6, 9, and 14.

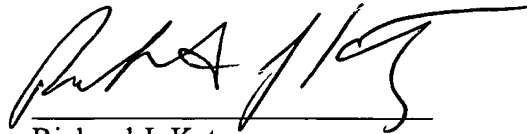
Claim 6 depends from claim 5. Claim 9 depends from claim 8. Claim 14 depends from claim 13. Claims 6, 9 and 14 recite their own features along with the features of their base claim and any intervening claims. Lewis does not disclose the feature of repeating the embedding data "at least three times sequentially without interval" as recited in the respective base claims for claims 6, 9 and 14. As discussed above, this feature is not disclosed nor suggested by the combination of Kawamae and Hosaka. Therefore, the combination of Kawamae, Hosaka and Lewis does not disclose nor suggest, singly or in combination, the invention of claims 6, 9, and 14. Thus, the required *prima facie* case of obviousness over claims 6, 9 and 14 has not been established. Withdrawal and reconsideration of the rejection is requested.

CONCLUSION

Each and every point raised in the Office Action dated July 15, 2004 has been addressed on the basis of the above amendments and remarks. In view of the foregoing it is believed that claims 1-18 are in condition for allowance and it is respectfully requested that the application be reconsidered and that all pending claims be allowed and the case passed to issue.

If there are any other issues remaining which the Examiner believes could be resolved through a Supplemental Response or an Examiner's Amendment, the Examiner is respectfully requested to contact the undersigned at the telephone number indicated below.

Respectfully submitted,



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